



Fourth quarter results 2013

18 February 2014

NET PROFIT IN 2013 AMOUNTED TO €1,445 MILLION, A 0.3% INCREASE

- In a context of regulatory stress, net profit increased by 0.3% year-on-year in 2013, to €1,445 million. These results were achieved due to the company's sound, diversified business model, the growing contribution from the international business and the enhanced financial position as a result of deleveraging and greater efficiency.
- Consolidated EBITDA in 2013 amounted to €5,085 million, a 0.1% increase with respect to 2012, supported by Gas Natural Fenosa's diversification, the growing contribution from the international business, and the balanced business profile, which offset the decline in the contribution from the regulated businesses in Spain that was caused by greater tax pressure under Law 15/2012 on power generation in Spain and by the impact of recently-implemented Royal Decree Law 9/2013 on power generation and distribution activities in Spain.
- EBITDA from Gas Natural Fenosa's international activities increased by 2.2% to account for 44.1% of the consolidated total, compared with 43.2% last year.
- EBITDA from operations in Spain declined by 1.6% in 2013, due mainly to the decline in electricity distribution (-4.1%) and generation (-12.7%), attributable to the sharp impact (€455 million) of the regulatory measures in Law 15/2012 and Royal Decree 9/2013.
- The company continues to deleverage: net interest-bearing debt totalled €14,641 million at 31 December 2013, the leverage ratio was 49.4% and the net interest-bearing debt/EBITDA ratio was 2.9x. Gradual restructuring of financial debt allows for optimal adaptation to the profile of the businesses, and is now a key element in sustained value creation.
- In November 2013, Gas Natural Fenosa updated its strategy for 2013-2015 and offered a strategic vision through 2017 with a view to adapting the strategy to the current macroeconomic and energy context, particularly the significant regulatory impact.
- An interim dividend in cash amounting to €0.393 per share out of 2013 earnings was paid on 8 January 2014.
- The Board of Directors will propose to the Ordinary Shareholders' Meeting that it allocate €898 million out of 2013 income to dividends, i.e. 0.3% more than the previous year, in line with the increase in profit, resulting in a payout of 62.1%. The supplementary dividend of €0.504 per share will be paid in cash.

1.- MAIN AGGREGATES

1.1.- Main financial aggregates

4Q13	4Q12	%	(€ Mn)	2013	2012	%
6,294	6,486	-3.0	Net sales	24,969	24,904	0.3
1,220	1,253	-2.6	EBITDA	5,085	5,080	0.1
689	733	-6.0	Operating income	2,963	3,067	-3.4
325	326	-0.3	Net profit	1,445	1,441	0.3
901	1,041	-13.4	Cash flow from ordinary activities	3,451	3,437	0.4
-	-	-	Average number of shares (million) ¹	1,001	996	0.5
-	-	-	Price at 31/12 (euros)	18.70	13.58	37.7
-	-	-	Market capitalisation at 31/12	18,708	13,589	37.7
-	-	-	Net profit per share (€)	1.44	1.45	-0.7
601	540	11.3	Investments	1,636	1,386	18.0
-232	-218	6.4	Equity	15,010	14,879	0.9
-527	-940	-43.9	Net financial debt (at 31/12)	14,641	15,995	-8.5

1.2.- Ratios

	2013	2012
Leverage ²	49.4%	51.8%
EBITDA/ Financial result	6.3x	6.2x
Net interest-bearing debt /EBITDA	2.9x	3.1x
P/E	12.9x	9.4x
EV/EBITDA	6.6x	5.8x

Share performance and balance sheet at 31 December.

¹ Calculated according to IAS 33.

² Net interest-bearing debt/(Net interest-bearing debt+Net equity).

1.3.- Main physical aggregates

Distribution in Europe:

4Q13	4Q12	%		2013	2012	%
51,403	50,762	1.3	Gas distribution (GWh):			
-	-	-	TPA sales (GWh)	194,975	199,416	-2.2
			Connection points ('000) (at 31/12)	5,627	5,573	1.0
8,485	9,027	-6.0	Electricity distribution (GWh):			
-	-	-	TPA sales (GWh)	35,307	36,288	-2.7
			Connection points ('000) (at 31/12)	4,618	4,608	0.2
-	-	-	ICEIT in Spain (minutes)	47	33	42.4

Gas business:

4Q13	4Q12	%		2013	2012	%
90,078	83,243	8.2	Gas supply (GWh):	326,923	328,058	-0.3
63,530	59,342	7.1	Supply in Spain	229,419	238,450	-3.8
919	717	28.2	Retail sales in Italy	2,992	2,844	5.2
25,629	23,184	10.5	Rest	94,512	86,764	8.9
6,631	6,528	1.6	UF Gas ³ (GWh):			
2,908	3,304	-12.0	Gas supply in Spain	24,228	27,842	-13.0
			Rest	10,245	14,100	-27.3
32,025	32,750	-2.2	Gas transportation - EMPL (GWh)	122,804	116,347	5.5

³ Figures at 50%

Electricity business:

4Q13	4Q12	%		2013	2012	%
9,507	8,953	6.2	Electricity generated (GWh):	34,342	37,790	-9.1
9,356	8,796	6.4	Spain:	33,785	37,144	-9.0
8,461	8,044	5.2	Ordinary Regime	30,744	34,425	-10.7
775	525	47.6	Hydroelectric	4,434	1,665	-
1,105	1,117	-1.1	Nuclear	4,287	4,434	-3.3
1,878	1,733	8.4	Coal	5,430	7,724	-29.7
4,703	4,669	0.7	CCGT	16,593	20,602	-19.5
895	752	19.0	Special Regime	3,041	2,719	11.8
151	157	-3.8	International (Kenya):	557	646	-13.8
-	-	-	Installed capacity (MW):	12,840	12,939	-0.8
-	-	-	Spain	12,728	12,827	-0.8
-	-	-	Ordinary Regime	11,581	11,714	-1.1
-	-	-	Hydroelectric	1,914	1,907	0.4
-	-	-	Nuclear	604	604	-
-	-	-	Coal	2,065	2,048	0.8
-	-	-	Oil/gas	-	157	-
-	-	-	CCGT	6,998	6,998	-
-	-	-	Special Regime	1,147	1,113	3.1
-	-	-	International (Kenya)	112	112	-

Business in Latin America:

4Q13	4Q12	%		2013	2012	%
60,547	63,863	-5.2	Distribution, TPA sales (GWh)	246,276	228,432	7.8
56,378	59,190	-4.8	Gas	229,833	210,358	9.3
4,169	4,673	-10.8	Electricity	16,443	18,074	-9.0
-	-	-	Connection points ('000) (at 31/12)	9,246	9,791	-5.6
-	-	-	Gas	6,321	6,090	3.8
-	-	-	Electricity	2,925	3,701	-21.0
-	-	-	Installed capacity (MW):	2,580	2,580	-
-	-	-	Mexico (CCGT)	2,035	2,035	-
-	-	-	Puerto Rico (CCGT) ⁴	263	263	-
-	-	-	Costa Rica (hydroelectric)	51	51	-
-	-	-	Panama (hydroelectric)	22	22	-
-	-	-	Panama (oil-fired)	11	11	-
-	-	-	Dominican Republic (oil-fired)	198	198	-
4,739	4,693	1.0	Electricity generated (GWh)	19,414	18,458	5.2
3,970	3,794	4.6	Mexico (CCGT)	16,193	15,172	6.7
484	481	0.6	Puerto Rico (CCGT) ⁴	1,787	1,779	0.4
75	81	-7.4	Costa Rica (hydroelectric)	239	270	-11.5
31	28	10.7	Panama (hydroelectric)	81	100	-19.0
6	1	-	Panama (oil-fired)	17	8	-
173	308	-43.8	Dominican Republic (oil-fired)	1,097	1,129	-2.8

⁴ Figures at 50%

2.- ANALYSIS OF CONSOLIDATED RESULTS

2.1.- Changes in group size

The main changes in consolidated group size in 2013 with respect to 2012 are as follows:

- In February 2012, the company sold certain gas clients and associated contracts in the Madrid region.
- In February 2013, Gas Natural Fenosa sold its stakes in Nicaraguan electricity distribution companies Distribuidora de Electricidad del Norte, S.A. (83.7%) and Distribuidora de Electricidad del Sur, S.A. (83.7%).
- Gas Natural Fenosa Perú, S.A., created in August 2013, is fully consolidated.

IFRS 11 "Joint Arrangements" will be mandatory as from 1 January 2014, with the result that joint ventures (where the parties have rights solely over the net assets of the arrangement) must be recognised by the equity method instead of the proportionate consolidation method.

Gas Natural Fenosa estimates that, had it applied IFRS 11 in preparing the 2013 financial statements, the effect of the change in recognition approach on the balance sheet in 2013 and the income statement for 2013 would have been as follows:

(€ Mn)	31/12/2013	IFRS 11 31/12/2013	Variation
Non-Current Assets	34,260	33,168	-1,092
Current Assets	10,685	10,343	-342
Total Assets	44,945	43,511	-1,434
Equity	15,010	14,967	-43
Non-Current Liabilities	21,408	20,187	-1,221
Current Liabilities	8,527	8,357	-170
Total Equity and Liabilities	44,945	43,511	-1,434

(€ Mn)	2013	NIIF 11 2013	Variation
Net Sales	24,969	24,478	-491
Operating Cost	-20,099	-19,844	255
Depreciation & amortisation, and impairment losses	-1,907	-1,612	295
Operating Profit	2,963	3,022	59
Net finance income	-838	-803	35
Income from associates	7	-62	-69
Consolidated pre-tax Profit	2,132	2,157	25
Income tax expense	-468	-499	-31
Minority interest	-219	-213	6
Attributable Profit	1,445	1,445	-

These impacts are basically attributable to the change in the method of recognising the stakes in Unión Fenosa Gas, Ecoeléctrica (CCGT in Puerto Rico) and Nueva Generadora del Sur (CCGT in Cádiz, Spain) and in several joint ventures which operate special regime power generation facilities in Spain.

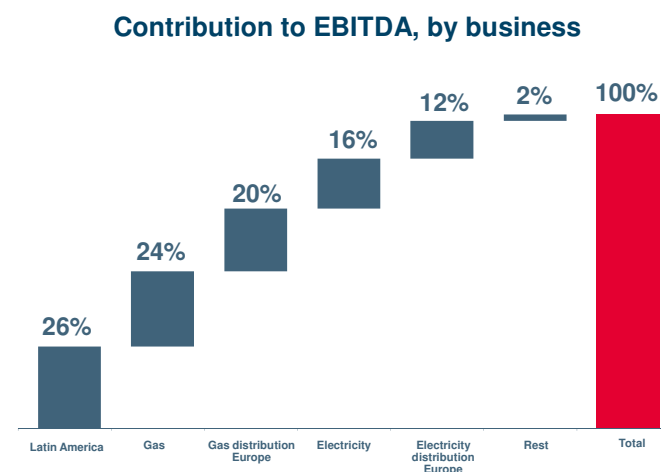
2.2.- Analysis of results

2.2.1.- Net sales

Net sales totalled €24,969 million in 2013, a 0.3% increase over 2012, due basically to growth in the gas distribution business in Latin America and in the international wholesale gas business.

2.2.2.- EBITDA and operating income

Consolidated EBITDA in 2013 totalled €5,085 million, an increase of 0.1% with respect to 2012, in a very tough macroeconomic, energy and regulatory context; this result was achieved due to an appropriate balance of regulated and liberalised gas and electricity businesses, including a growing, diversified international presence, which offset the impact of Law 15/2012 and Royal Decree Law 9/2013.



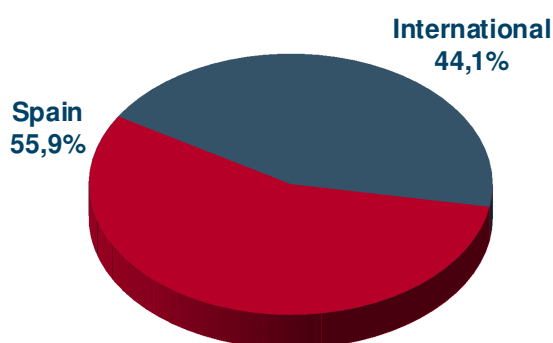
EBITDA in Latin America accounts for 25.6% of the consolidated total and arises mainly from regulated gas and electricity distribution activities and power generation (via power purchase agreements).

The gas procurement and supply activity in liberalised natural gas markets accounted for 24.4%. Regulated gas and electricity distribution in Europe accounted for 32.1%, and power generation (basically in Spain) for 15.8%.

EBITDA from Gas Natural Fenosa's international activities increased by 2.2%

to €2,242 million, accounting for 44.1% of the consolidated total in 2013 (43.2% in 2012). This growth was attributable to a significant increase in gas supply and to expansion in Latin America. In contrast, EBITDA from operations in Spain fell by 1.6% and declined as a share of the consolidated total to 55.9%.

Contribution to EBITDA, by geographic area



Depreciation and amortisation and impairment losses in 2013 totalled €1,907 million, an increase of 6.1% due basically to a €70 million impairment charge in 2Q13 for the decline in the value assigned in the business combination with Unión Fenosa to the gas processing rights held by Gas Natural Fenosa through subsidiary Unión Fenosa Gas at the Damietta (Egypt) liquefaction plant as a result of the temporary suspension of the plant's operations due to halt of deliveries by the natural gas supplier.

(+€20 million in 2012), providing operating income amounting to €2,963 million, i.e. 3.4% lower than the previous year.

Provisions totalled €226 million, compared with €235 million in 2012. Gains from asset disposals amounted to €11 million

2.2.3.- Financial results

The breakdown of financial results is as follows:

4Q13	4Q12	(€ Mn)	2013	2012
-209	-229	Cost of net interest-bearing debt	-808	-823
-9	3	Other financial expenses/revenues	-30	-51
-218	-226	Financial result	-838	-874

The cost of net interest-bearing debt in 2013 was €808 million, i.e. lower than in 2012 due to lower gross debt (albeit slightly more expensive) together with a larger volume of cash.

2.2.4.- Corporate income tax

In June 2013, the Boards of Directors of certain group companies in Spain resolved to update their balance sheets in accordance with Law 16/2012 of 27 December, which entailed recognizing a net tax credit of €109 million under "Corporate income tax" on the consolidated P&L for the first half of 2013.

As a result, the effective tax rate in 2013, based on the best estimate of the effective rate for the year as a whole, is 22.0% (24.8% in 2012).

2.2.5.- Minority interest

The main items in this account are the minority shareholders of: EMPL; gas distribution companies in Brazil, Colombia and Mexico; and electricity generation and distribution companies in Panama and Colombia.

Income attributed to minority interest amounted to €219 million in 2013, i.e. €3 million more than in 2012.

3. BALANCE SHEET

3.1.- Investments

The breakdown of investments by type is as follows:

(€ Mn)	2013	2012	%
Capital expenditure and intangible assets	1,494	1,357	10.1
Financial investments	142	29	-
Total investments	1,636	1,386	18.0

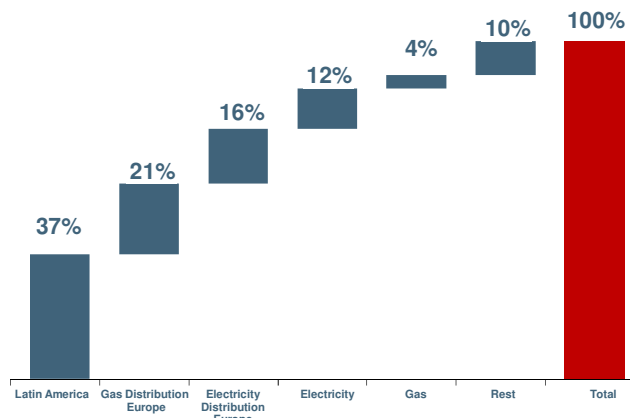
Investments in property, plant & equipment and intangible assets amounted to €1,494 million in the period, an increase of 10.1% year-on-year. This increase was due mainly to investments in power generation outside Spain (Mexico).

Financial investments in 2013 are mainly attributable to the acquisition of 14.9% of Medgaz (together with the proportional percentage of the shareholder loan) for €101 million.

The breakdown of investment in property, plant and equipment and intangible assets by line of business is as follows:

(€ Mn)	2013	2012	%
Gas distribution in Europe:	309	298	3.7
Spain	279	257	8.6
Italy	30	41	-26.8
Electricity distribution in Europe:	238	285	-16.5
Spain	224	269	-16.7
Moldova	14	16	-12.5
Gas:	56	63	-11.1
Up + Midstream	12	25	-52.0
Wholesales & Retail	25	27	-7.4
UF Gas	19	11	72.7
Electricity:	176	182	-3.3
Spain	176	182	-3.3
International	-	-	-
Latin America:	559	372	50.3
Gas distribution	181	177	2.3
Electricity distribution	128	132	-3.0
Electricity	250	63	-
Rest	156	157	-0.6
Total capital expenditure and intangible assets	1,494	1,357	10.1

Total capital expenditure and intangible assets by business



wind farm (€161 million euro in 2013).

Gas Natural Fenosa allocated 57.3% of capital expenditure to regulated gas and electricity distribution in Europe and Latin America, which will strengthen their contribution to consolidated EBITDA.

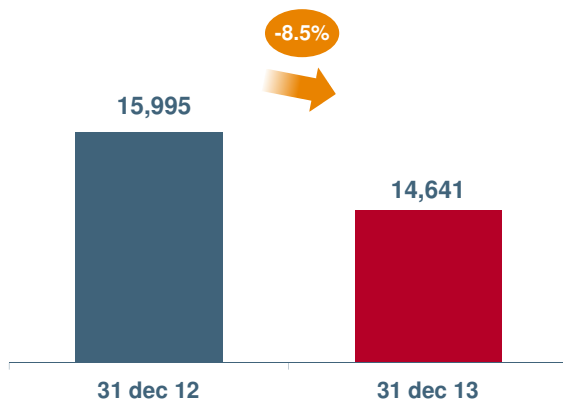
Capital expenditure fell 4.0% in Spain, which is still the largest single area of investment, accounting for 55.7% of the consolidated total in 2013 (63.9% in 2012), whereas capex in other countries accounted for 44.3% of the total, having increased by 35.0% with respect to the previous year.

In Latin America, capex is concentrated in Mexico for the construction of a 234 MW

3.2.- Debt

At 31 December 2013, net interest-bearing debt amounted to €14,641 million and leverage was 49.4%.

Evolution of net interest-bearing (€ Mn)



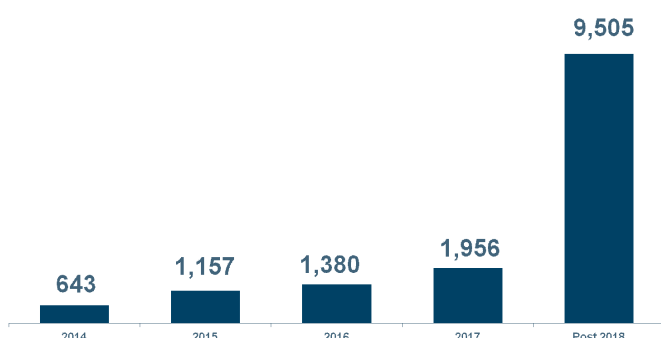
issued in 2013. Gas Natural Fenosa has received a total of €2,873 million, including €1,079 million in 2013.

Excluding the outstanding tariff deficit (€485 million), net debt would be €14,156 million, i.e. 48.5% leverage.

The net debt/EBITDA ratio was 2.9 (2.8 if the tariff deficit is excluded from net debt) and the EBITDA/net interest expenses ratio was 6.3 at 31 December 2013.

Since the Fondo de Amortización del Déficit Eléctrico (FADE) launched an inaugural bond issue backed by rights assigned by Spain's electricity system on 11 January 2011, new issues and taps under previous issues have totalled €25,301 million, of which €9,662 were

Net interest-bearing debt maturity (€ Mn)



The figure shows Gas Natural Fenosa's net debt maturity calendar at 31 December 2013.

A total of 87.7% of the net interest-bearing debt at 31 December 2013 matures in or after 2016. The average term of net debt is around 5 years.

Having consideration for the impact of financial hedges, a total of 82.2% of the net interest-bearing debt is at fixed interest rates and the other 17.8% is at floating rates. Of the net interest-bearing debt, 4.4% is short term and 95.6% is long term.

At 31 December 2013, cash and cash equivalents together with available bank finance totalled over €11,613 million, providing the company with sufficient liquidity to cover its debt maturities for more than 24 months, with the following breakdown:

Liquidity (€ Mn)	Available in 2013	Available in 2012
Committed credit lines	7,036	4,912
Uncommitted credit lines	100	95
Loans not drawn	225	150
Cash and cash equivalents	4,252	4,434
Total	11,613	9,591

Additionally, at 31 December 2013 the company had €3,216 million available in the form of shelf registrations for financial instruments, including €1,945 million in the Euro Medium Term Notes (EMTN) programme following its expansion by €2,000 million on 30 May to €14,000 million; €854 million in the Euro Commercial Paper (ECP) programme; and the stock market certificates programmes on the Mexico Stock Exchange, the commercial paper programme on the Panama Exchange, and the Straight Bonds programme in Colombia, which total €417 million.

A 10-year €600 million bond with an annual coupon of 3.875% was issued in January 2013 under the EMTN programme, and the first non-euro bond under that same programme was launched in February: a 6-year 250 million Swiss franc issue with an annual coupon of 2.125%. In April, the company returned to the capital markets with a 9-year €750 million public issue paying 3.875% and a 4-year €300 million issue paying a coupon of 2.310%. In July 2013, it issued another non-euro bond: 10-year 800 million Norwegian krone (approximately €100 million), with an annual coupon of 3.97%. In October, the company issued a 7.5-year €500 million bond with a coupon of 3.5% under the EMTN programme.

The total amount issued under the EMTN programme is €12,055 million, with an average coupon of 4.63% and an average maturity of around 7.2 years.

On 16 April 2013, the Board of Directors of Gas Natural SDG, S.A. approved a cash tender offer for preference shares at 93% of the nominal value. Those preference shares were issued by Unión Fenosa Financial Services USA, LLC in the amount of €609 million in 2003; the offer was accepted by 88.56%.

Debt restructuring continues, and in November the company proceeded with the early amortisation of the €3,000 million club deal loan maturing in March 2015 by arranging a new line of credit for €1,500 million maturing in five years, which was undrawn at 31 December 2013, and a new €750 million 5-year loan, all in the form of a club deal.

On 9 July 2013, Gas Natural Fenosa signed the first tranche of a loan totalling €475 million from the European Investment Bank (EIB), to finance part of the investment plan in Unión Fenosa Distribución's business of electricity transmission and distribution to regulated tariff customers between 2012 and 2015. The loan is distributed in two tranches: €250 million for 8 years, guaranteed by Unión Fenosa Distribución and which was drawn down in July, and €225 million, which is still undrawn.

The European Investment Bank's loan is a reflection of the soundness of Gas Natural Fenosa's project, which meets the Bank's standards on viability, quality and the environment.

The breakdown of the net interest-bearing debt by currency at 31 December 2013, in absolute and relative terms, is as follows:

(€ Mn)	31/12/13	%
EUR	12,567	85.8
US\$	1,238	8.5
COP	447	3.1
MXN	270	1.8
BRL	119	0.8
Total net interest-bearing debt	14,641	100.0

The credit ratings of Gas Natural Fenosa's short- and long-term debt are as follows:

Agency	l/t	s/t
Fitch	BBB+	F2
Moody's	Baa2	P-2
Standard & Poor's	BBB	A-2

3.3.- Shareholders' equity

The allocation of 2012 income approved by the Ordinary Shareholders' Meeting on 16 April 2013 includes the payment of a cash dividend amounting to €895 million. That represents a payout of 62.1% and a dividend yield of more than 6.6% based on the share price at 31 December 2012 (€13.58).

Consequently, and having consideration for the number of outstanding shares at this date (1,000,689,341), the total dividend amounts to €0.894 gross per share.

The Board of Directors will propose to the Ordinary Shareholders' Meeting that it allocate €898 million out of 2013 income to dividends. That represents a payout of 62.1% and a dividend yield of 4.8% based on the share price at 31 December 2013 (€18.695).

An interim dividend amounting to €0.393 per share out of 2013 earnings was distributed on 8 January 2014. Additionally, in line with the proposal, a supplementary dividend of €0.504 per share will be paid in cash.

At 31 December 2013, Gas Natural Fenosa's shareholders' equity totalled €15,010 million. Of that figure, €13,444 million is attributable to Gas Natural Fenosa, i.e. an increase of 1.4% with respect to 31 December 2012.

At 31 December 2013, based on available information, the main shareholders of Gas Natural Fenosa were as follows:

	% stake
"La Caixa" group	34.6
Repsol Group	30.0
Sonatrach	4.0

4.- ANALYSIS OF RESULTS BY ACTIVITY

The criteria used to assign amounts to the activities are as follows:

- All revenues and expenses relating directly and exclusively to a specific business activity are allocated directly to it.
- The margin on intercompany transactions is allocated on the basis of the market which is the final destination of the sale.
- Corporate expenses and revenues are assigned on the basis of their use by the individual business lines.

4.1.- GAS DISTRIBUTION IN EUROPE

4.1.1.- Spain

This area includes gas distribution, third-party access (TPA) and secondary transportation, as well as the distribution activities that are charged for outside the regulated remuneration (meter rentals, customer connections, etc.) in Spain.

4.1.1.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
314	308	1.9	Net sales	1,283	1,266	1.3
-8	-7	14.3	Purchases	-26	-24	8.3
-18	-23	-21.7	Personnel costs, net	-75	-77	-2.6
-72	-68	5.9	Other revenues and expenses	-265	-265	-
216	210	2.9	EBITDA	917	900	1.9
-73	-76	-3.9	Depreciation & amortization, and impairment losses	-288	-289	-0.3
-7	2	-	Change in operating provisions	-8	-	-
136	136	-	Operating profit	621	611	1.6

Net sales in the gas distribution business totalled €1,283 million (+1.3%) and EBITDA amounted to €917 million (+1.9%), having increased moderately in both cases.

4.1.1.2.- Main aggregates

The main aggregates in gas distribution in Spain were as follows:

4Q13	4Q12	%		2013	2012	%
50,342	49,924	0.8	Gas TPA sales (GWh):	191,189	195,769	-2.3
263	461	-43.0	Distribution network (km)	47,678	46,541	2.4
19	32	-40.6	Change in connection points ('000)	47	75	-37.3
-	-	-	Connection points ('000) (at 31/12)	5,172	5,124	0.9

Gas shipments in Spain totalled 321,900 GWh in 2013 (349,392 GWh in 2012) while LNG shipped to specific customers totalled 9,759 GWh (11,490 GWh in 2012), reflecting total demand for gas of 331,659 GWh (360,882 GWh in 2012).

Regulated gas sales in Spain declined by 2.3% overall (-4,580 GWh) with respect to the previous year. While demand for gas which is covered by remuneration for the distribution activity (less than 60 bar) increased by 3.3%, regulated gas being transported and in secondary transportation fell by 44.8%, due mainly to a notable decline in consumption by CCGTs.

Gas Natural Fenosa continues to expand its distribution network and to increase the number of supply connections. The number of new customers that are signed but not yet connected expanded by 5.2% with respect to 2012. The low level of activity in the new building market, together with the current economic crisis, continues to impact net growth in supply connections.

The distribution network expanded by 1,137 km in 2013, connecting 36 new municipalities to reach a total of 1,100 municipalities.

Order IET/2446/2013, published on 30 December 2013, established the tolls and fees for third-party access to gas installations and remuneration for regulated gas activities for 2014. The remuneration recognised for Gas Natural Fenosa from distribution and transportation activities in 2014 is €1,108 million.

4.1.2.- Italy

This area refers to regulated distribution and retail supply of gas in Italy.

4.1.2.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
74	89	-16.9	Net sales	314	297	5.7
-38	-55	-30.9	Purchases	-176	-170	3.5
-4	-3	33.3	Personnel costs, net	-16	-15	6.7
-10	-9	11.1	Other revenues and expenses	-30	-29	3.4
22	22	-	EBITDA	92	83	10.8
-7	-7	-	Depreciation & amortisation, and impairment losses	-27	-25	8.0
-2	-1	-	Change in operating provisions	-5	-5	-
13	14	-7.1	Operating profit	60	53	13.2

EBITDA performed in line with the trend in 2013 and amounted to €92 million, i.e. 10.8% higher than in 2012, due to ongoing growth in earnings from regulated distribution and the rising contribution from the margin on gas sales.

EBITDA from liberalised sales to retail customers in Italy expanded by 29.7% to €24 million in 2013.

The company strengthened its position in the regulated and liberalised gas and electricity businesses in Italy.

In December, the regulatory authority approved the new legal framework for distribution, which will be in force from 2014 to 2019.

4.1.2.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
1,061	838	26.6	Gas TPA sales (GWh)	3,786	3,647	3.8
45	53	-15.1	Distribution network (km)	6,958	6,885	1.1
-	-	-	Connection points ('000) (at 31/12)	455	449	1.3
919	717	28.2	Retail gas supply (GWh)	2,992	2,844	5.2

A total of 3,786 GWh of gas were distributed, i.e. 3.8% more than in 2012, mainly as a result of favourable weather conditions.

Sales to the retail market expanded by 5.2% to 2,992 GWh.

The distribution grid expanded by 73 km in the last 12 months, to 6,958 km at 31 December 2013.

Gas Natural Fenosa has 455,000 gas connection points in Italy, a 1.3% increase with respect to 2012.

Gas Natural Fenosa has 506,719 active retail gas, electricity and services contracts in Italy.

4.2.- ELECTRICITY DISTRIBUTION IN EUROPE

4.2.1. Spain

The electricity distribution business in Spain includes regulated distribution of electricity and network services for customers, basically connections and hook-ups, metering and other actions associated with third-party access to Gas Natural Fenosa's distribution network.

4.2.1.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
207	215	-3.7	Net sales	845	852	-0.8
-	-	-	Purchases	-	-	-
-26	-25	4.0	Personnel costs, net	-104	-99	5.1
-44	-42	4.8	Other revenues and expenses	-153	-140	9.3
137	148	-7.4	EBITDA	588	613	-4.1
-59	-62	-4.8	Depreciation & amortization, and impairment losses	-220	-228	-3.5
-4	-	-	Change in operating provisions	-6	1	-
74	86	-14.0	Operating profit	362	386	-6.2

Order IET/221/2013, of 14 February, established the remuneration for electricity transmission, distribution and customer management for the electricity distribution companies owned by Gas Natural Fenosa and the other industry players. This remuneration reflects modifications established in Royal Decree-Law 13/2012 to recognise investments undertaken in 2011. On 12 July 2013, the Spanish Cabinet approved a packet of energy reform measures including Royal Decree-Law 9/2013, adopting Urgent Measures to Guarantee the Financial Stability of the Electricity System, a Draft Act for the Electricity Sector, and several draft royal decrees that affect the electricity distribution business. Law 24/2013, of 26 December, on the Electricity Sector was also approved.

Order IET/2442/2013 was published on 26 December 2013, establishing remuneration for the second period of 2013 for electricity transmission and distribution and including other measures from previous years.

EBITDA amounted to €588 million in 2013, i.e. a decline of 4.1%. Net operating expenses also increased due mainly to efficiency measures applied during the year, which are expected to have a positive impact in subsequent years.

4.2.1.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
7,802	8,355	-6.6	Electric TPA sales (GWh)	32,766	33,763	-3.0
-	-	-	Connection ('000) (at 31/12)	3,772	3,772	-
-	-	-	ICEIT (minutes)	47	33	42.4
-	-	-	Network loss ratio (%)	8,6	8,1	6.2

Electricity supplied fell by 3.0%, i.e. by less than the decline in demand in the Spanish distribution network as a whole, which amounted to 243,126 GWh in 2013 (248,903 GWh in 2012), i.e. a 2.3% reduction, according to Red Eléctrica de España (REE).

The number of distribution connections remained stable with respect to 2012, at 3,772,000.

As for supply quality, the ICEIT (installed capacity equivalent interrupt time) index was higher than in 2012 because of adverse weather conditions, but was in line with the average of recent years because

of good performance by the facilities due to the ongoing capital expenditure plans, the grid architecture, and the systematic operation and maintenance plans.

4.2.2.- Moldova

The business in Moldova includes regulated distribution of electricity and the supply of electricity at the bundled tariff in the capital city and the central and southern regions. Gas Natural Fenosa is responsible for 70% of electricity distribution in Moldova.

4.2.2.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
64	71	-9.9	Net sales	242	250	-3.2
-50	-55	-9.1	Purchases	-188	-194	-3.1
-2	-2	-	Personal costs, net	-7	-8	-12.5
-4	-3	33.3	Other revenues and expenses	-12	-13	-7.7
8	11	-27.3	EBITDA	35	35	-
-1	-1	-	Depreciation & amortisation, and impairment losses	-6	-6	-
-	-	-	Other in operating provisions	-	-	-
7	10	-30.0	Operating profit	29	29	-

Net revenues reflect the pass-through effect of procurement costs together with the past capital expenditure and operation and maintenance performed in accordance with the country's current regulations.

New tariff methodologies for sales and distribution, in force for a 5-year period, became effective on 1 March 2013.

Excluding the currency effect, EBITDA expanded by 7.3% due to the improvement in grid loss indicators and in efficiency and to cost containment.

4.2.2.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
683	672	1.6	Electric Activity Sales (GWh)	2,541	2,525	0.6
-	-	-	Connection points ('000) (a 31/12)	846	836	1.2
-	-	-	Network loss ratio (%)	10,7	12,4	-13.7

Gas Natural Fenosa continues to implement its plan to improve operations in Moldova, focusing on processes linked to energy control in the distribution networks, operating processes associated with the entire customer management cycle, and optimisation of facility O&M; the plan is achieving its objectives and providing an ongoing improvement in basic operating indicators:

- Energy supplied increased slightly, by 0.6%, since the impact of anti-fraud campaigns was offset by the decline in consumption due to the milder weather in 2013 compared with 2012.

- Supply connections totalled 846,080, i.e. up 1.2% with respect to 2012, due primarily to growth in the real estate sector.
- The network loss indicator performed favourably, enabling the company to maximise regulated revenues.

4.3.- GAS

4.3.1.- Infrastructure

This area includes operation of the Maghreb-Europe gas pipeline, maritime transportation, the development of integrated liquefied natural gas (LNG) projects, and hydrocarbon exploration, development, production and storage.

4.3.1.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
75	75	-	Net sales	313	306	2.3
-5	-14	-64.3	Purchases	-32	-56	-42.9
-1	-1	-	Personnel costs, net	-4	-6	-33.3
-3	-3	-	Other revenues and expenses	-19	-19	-
66	57	15.8	EBITDA	258	225	14.7
-35	-6	-	Depreciation & amortisation, and impairment losses	-98	-64	53.1
-	-	-	Change in operating provisions	-	-	-
31	51	-39.2	Operating profit	160	161	-0.6

Net sales in the Infrastructure business totalled €313 million in 2013, a 2.3% increase.

EBITDA in 2013 amounted to €258 million, i.e. 14.7% more than in 2012, due mainly to higher output as a result of the entry into service of the Montanazo (Tarragona) well in October 2012, to the increase in fees for international shipping via the Maghreb-Europe gas pipeline in 2013, and to the logistical optimisation of the fleet.

The increase in depreciation and amortisation and impairment losses in the fourth quarter of 2013 is due to the impairment of various assets in the amount of €16 million.

4.3.1.2.- Main aggregates

The main aggregates in international gas transportation are as follows:

4Q13	4Q12	%		2013	2012	%
32,025	32,750	-2.2	Gas transportation-EMPL (GWh):	122,804	116,347	5.5
10,514	10,600	-0.8	Portugal-Morocco	38,023	36,872	3.1
21,511	22,150	-2.9	Spain-Morocco (Gas Natural Fenosa)	84,781	79,475	6.7

The gas transportation activity conducted in Morocco through companies EMPL and Metragaz represented a total volume of 122,804 GWh, 5.5% more than in the previous year as a result of the greater volume of gas shipped to Spain in the third quarter to cover market demand. Of that figure, 84,781 GWh were shipped for Gas Natural Fenosa through Sagane and 38,023 GWh for Portugal and Morocco.

On 8 January 2013, Gas Natural Fenosa signed an agreement with Algerian company Sonatrach (Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures, S.p.A) to acquire 10% of Medgaz, S.A. (and 10% of the shareholder loan) for €62 million.

Medgaz operates the Algeria-Europe subsea gas pipeline connecting Beni Saf with the Almería coast (capacity: 8 bcm/year).

The corresponding capacity is attributable to a new supply contract amounting to 0.8 bcm/year. The supply contract runs for 18 years and deliveries commenced on 1 February 2013. A total of 4,889 GWh were shipped via the Medgaz pipeline for Gas Natural Fenosa in 2013.

Gas Natural Fenosa acquired another 4.9% in Gaz de France International, S.A.S. for €36 million in July 2013. As a result of this acquisition, which does not have any associated transportation rights or additional gas contracts, Gas Natural Fenosa's stake in the pipeline is 14.9%.

The company continues to advance the paperwork for the five exploration, production and storage projects planned for the coming years in the Guadalquivir Valley (Marismas, Aznalcázar and Romeral areas). On 29 and 30 January 2013, the Secretary of State for the Environment granted the Environmental Impact Assessments (EIA) for the Saladillo, Eastern Marismas and Aznalcázar projects; the company had previously obtained an EIA for the Western Marismas project. The Government of Andalucía subsequently questioned whether synergistic effects between the projects had been evaluated, and requested that the Ministry of the Environment complete that evaluation prior to issuing the remaining EIAs.

As regards Gas Natural Fenosa's regasification terminal project in Trieste in northern Italy (Zaule), the Environmental Impact Assessment (VIA) was suspended temporarily, and Gas Natural Fenosa must present an alternative location for the terminal or ask the Port Authority to amend its shipping traffic plans. On 13 June 2013, the company filed an appeal against the suspension before the administrative court. A resolution is expected before year-end.

4.3.2.- Procurement and Supply

This area includes gas procurement and supply (wholesale and retail) in Spain and other countries, the supply in Spain of products and services related to retail supply, and supply of gas at the last-resort tariff in Spain.

4.3.2.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
3,070	2,909	5.5	Net sales	11,570	11,220	3.1
-2,813	-2,639	6.6	Purchases	-10,485	-10,245	2.3
-12	-12	-	Personnel costs, net	-49	-50	-2.0
-35	-48	-27.1	Other revenues and expenses	-173	-189	-8.5
210	210	-	EBITDA	863	736	17.3
-4	-4	-	Depreciation & amortisation, and impairment losses	-18	-15	20.0
-8	-12	-33.3	Change in operating provisions	-59	-60	-1.7
198	194	2.1	Operating profit	786	661	18.9

Net sales amounted to €11,570 million, 3.1% more than in 2012. EBITDA increased by 17.3% to €863 million, mainly due to the increase in operations outside Spain.

Diversification of the portfolio of commodities, combined management of the commodity and dollar risks and greater sales outside Spain helped improve EBITDA in a context of significant volatility in the energy and currency markets.

Demand for gas in Spain amounted to 331,659 GWh in 2013 (360,882 GWh in 2012): 55,757 GWh for the residential market (55,815 GWh in 2012), 219,180 GWh for the industrial market and for third-party supply (220,782 GWh in 2012) and 56,722 GWh for the electricity market (84,285 GWh in 2012).

4.3.2.2.- Main aggregates

The main aggregates in the gas procurement and supply activity are as follows:

4Q13	4Q12	%		2013	2012	%
89,159	82,526	8.0	Gas supply (GWh):	323,931	325,214	-0.4
63,530	59,342	7.1	Spain:	229,419	238,450	-3.8
46,272	45,923	0.8	Gas Natural Fenosa supply ⁵	166,991	178,216	-6.3
17,258	13,419	28.6	Supply to third parties	62,428	60,234	3.6
25,629	23,184	10.5	International:	94,512	86,764	8.9
10,052	5,990	67.8	Supply in Europe	30,672	20,871	47.0
15,577	17,194	-9.4	Other	63,840	65,893	-3.1
-	-	-	Multiutility contracts (at 31/12)	2,246,301	1,882,237	19.3
-	-	-	Contracts per customer (at 31/12)	1.48	1.40	5.7
-	-	-	Share of supply market in Spain (%)	44.6	42.3	5.4

Gas demand in Spain totalled 333,659 GWh in 2013, a decline of 8.1% with respect to 2012 (360,882 GWh); Gas Natural Fenosa experienced a decline of 6.3% in the same period. Conventional gas demand declined by 0.6% overall, to 274,937 GWh, but increased by 2.1% for Gas Natural Fenosa.

⁵ Does not include exchange transactions.

The demand for power generation in Spain fell by 32.7%, to 56,722 GWh, but increased by 26.6% for Gas Natural Fenosa.

In a situation of weak demand, the company supplied 229,419 GWh in the Spanish gas market, a 3.8% decline with respect to 2012, due to lower sales to final customers of Gas Natural Fenosa (-6.3%), mainly as a result of a decline in gas consumption by CCGT plants, which was partly offset by an increase in supply to third parties (+3.6%).

Gas sales outside Spain maintained the trend from previous quarters and increased by 8.9% with respect to 2012, to 94,512 GWh.

Gas Natural Fenosa, through its subsidiary Gas Natural Comercializadora, attained a 13% share of the gas market in Portugal, according to data from ERSE, the Portuguese regulator, making it that country's second-largest operator. Its activities are focused in the industrial market, where it has an estimated market share of over 20%. This strengthens its leading position in the Iberian Peninsula as the official creation of the Iberian Gas Market (MIBGAS) approaches.

The company is also the leading foreign operator in Portugal, with industrial contracts amounting to 5.5 TWh/year.

Gas Natural Europe (the French subsidiary for supply in Europe) currently has 2,798 distribution connections in France in a range of sectors, from industrial companies (chemicals, paper mills, etc.) to local governments and the public sector, accounting for a total portfolio of 23.3 TWh per year.

The French subsidiary strengthened its position in Belgium and Luxembourg with 569 supply points, representing a contracted portfolio of 6.7 TWh per year. In The Netherlands, the company has 309 supply points and a portfolio of 5.4 TWh. The company began operations in Germany at the end of 2012 and already has 97 supply points and a portfolio of 1 TWh.

Gas Natural Fenosa is also considering an entry into other central European markets in the short term by offering a combination of customised energy consulting with the advantage of a diversified, secure supply.

Gas Natural Vendita had a portfolio under contract in the Italian wholesale market amounting to 4 TWh/year at 31 December 2013.

The company continues to diversify into international markets, having sold gas in the Americas (Caribbean and South America) and Asia (Japan, India and South Korea). This strengthens our presence in the main international LNG markets, providing us with a medium-term position in countries with growth potential and large consumers of LNG. In October 2013, Gas Natural Fenosa was awarded a contract to supply 1.8 bcm/year of LNG to Argentina in 2014 and 2015.

In September 2013, Gas Natural Fenosa signed a contract to supply South Korean energy company Kogas with 1-1.5 bcm of liquefied natural gas (LNG) over the next two years. The agreement strengthens its position as a global supplier of LNG and reinforces its growth in Asia.

Gas Natural Fenosa signed two natural gas sale agreements with Repsol in July 2013: one for 2 bcm/year in 2015-2018, and the other for 1 bcm/year over 20 years, which is expected to start in 2017.

Gas Natural Fenosa has over 11.2 million active retail gas, electricity and services contracts. More than 1.3 million residential customers have both electricity and gas supply contracts with Gas Natural Fenosa.

Products and services were marketed in all areas of Spain and the group signed 1,700,000 contracts in the residential market. The company continues to expand into the small and medium-sized enterprise market, signing over 114,000 new gas, electricity and services contracts, for a portfolio of 340,000 contracts at 2013 year-end.

Gas Natural Fenosa expanded its residential maintenance contract portfolio to include new services. That portfolio contains more than 2.2 million active contracts, managed with the group's own operating platform consisting of 164 associated firms connected via an online system, which has enabled it to improve service performance and quality.

These efforts increased retail contract numbers by 6% in like-for-like terms with respect to 31 December 2012.

Gas Natural Fenosa continues to expand and strengthen its position in the SME market in Portugal, where it had over 15,000 active electricity contracts at 31 December 2013.

Gas Natural Fenosa continues to add features and users to its online customer management system, enabling customers to acquire products and services.

The company remains committed to the development of a network of automotive gas service stations open to the public. In 2013, the network comprised 24 company-owned compressed natural gas service stations on the main roads in the Iberian Peninsula, of which 7 also supply LNG for heavy goods vehicles. Gas Natural Fenosa uses a mobile station to provide fuel to the first LNG-powered tractor for moving containers in Valencia port.

Business volume in end-to-end energy efficiency solutions doubled for the second consecutive year. According to a survey by DBK, Gas Natural Servicios is the market's leading energy services provider.

In line with its commitment to energy efficiency, the company's ongoing analysis of new efficient technologies enabled it to develop new products and services which continue to expand the portfolio of energy solutions adapted to customers' energy needs.

4.3.3.- Unión Fenosa Gas (UF Gas)

This area includes gas procurement and supply performed by Unión Fenosa Gas (UF Gas), including the liquefaction plant in Damietta (Egypt), the Sagunto regasification plant, and the gas carrier fleet.

4.3.3.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
276	261	5.7	Net sales	1,031	1,147	-10.1
-247	-214	15.4	Purchases	-891	-859	3.7
-3	-3	-	Personnel costs, net	-11	-12	-8.3
5	-6	-	Other revenues and expenses	-6	-20	-70.0
31	38	-18.4	EBITDA	123	256	-52.0
-45	-39	15.4	Depreciation & amortisation, and impairment losses	-239	-155	54.2
-	-	-	Change in operating provisions	-	-	-
-14	-1	-	Operating profit	-116	101	-

EBITDA amounted to €31 million in the fourth quarter and to €123 million in 2013, i.e. a decline with respect to the previous year.

Results in the year were affected by the decline in gas supplied by Egypt. However, the company continued to seize opportunities for LNG sales in the international market, where UF Gas continued to operate actively. The financial contribution from infrastructure was stable throughout the year.

The increase in depreciation and amortisation is due basically to a €70 million impairment charge in 2Q13 for the decline in the value assigned in the business combination with Unión Fenosa to the gas processing rights held by Gas Natural Fenosa through subsidiary Unión Fenosa Gas at the Damietta (Egypt) liquefaction plant as a result of the temporary suspension of the plant's operations due to halting of deliveries by the natural gas supplier.

4.3.3.2.- Main aggregates ⁶

Gas supply in Spain amounted to 24,228 GWh in 2013, compared with 27,842 GWh in 2012. Demand from power generators declined very sharply (-18.0%) as a result of a power generation mix that included more renewable sources and of the fact that the thermal gap was filled using coal. The industrial segment also declined, albeit more moderately: -5.3%.

A total of 10,245 GWh of energy was traded in international markets.

The main aggregates in Unión Fenosa Gas's activity (numbers in line with the company's 50% stake) are as follows:

4Q13	4Q12	%		2013	2012	%
6,631	6,528	1.6	Gas supply in Spain (GWh)	24,228	27,842	-13.0
2,908	3,304	-12.0	Rest (GWh)	10,245	14,100	-27.3
3	452	-	Liquefaction (GWh)	-158	7,646	-
2,003	4,196	-52.3	Regasification (GWh)	8,266	15,959	-48.2

Several noteworthy events occurred in connection with UF Gas:

In 2012, the SAGGAS plant in Sagunto was adapted to load ships. The plant's new activity, approved by the Valencia Port Authority in December 2012, enables it to diversify into LNG shipping, a business which has expanded in recent years. SAGGAS has diversified its activity and adapted its facilities so as to be able not only to unload, but also to load LNG carriers, in addition to its usual regasification services.

Regarding the exploration and production project in La Rioja, work continues both underground and on above-ground facilities. The second Viura-3 well was drilled and is expected to be completed in February 2014. Construction continues on the processing plant, which is expected to be completed by mid-2014, and on the gas pipelines and the power transmission line, expected to be completed in February 2014.

4.4.- ELECTRICITY

4.4.1. Spain

This area basically includes power generation in Spain, wholesale and retail electricity supply in the liberalised market in Spain, and electricity supply at the last-resort tariff.

⁶ Figures at 50%.

4.4.1.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
1,616	1,619	-0.2	Net sales	5,927	6,194	-4.3
-1,177	-1,212	-2.9	Purchases	-4,222	-4,624	-8.7
-39	-41	-4.9	Personnel costs, net	-158	-152	3.9
-211	-128	64.8	Other revenues and expenses	-758	-514	47.5
189	238	-20.6	EBITDA	789	904	-12.7
-176	-192	-8.3	Depreciation & amortisation, and impairment losses	-594	-594	-
-5	-9	-44.4	Change in operating provisions	-37	-41	-9.8
8	37	-78.4	Operating profit	158	269	-41.3

Net sales in the electricity business amounted to €5,927 million in 2013, 4.3% less than in 2012.

EBITDA amounted to €789 million in 2013, a 12.7% decline year-on-year.

This decline is attributable mainly to the adverse performance by fuel prices, lower wholesale electricity prices as a result of the change in the electricity production mix (greater hydroelectric output) and the impact on power generation of fiscal and regulatory measures approved under Law 15/2012 and RD 9/2013.

Electricity demand in mainland Spain amounted to 61,971 GWh in the fourth quarter of 2013, 1.2% more than in the same period of 2012, the first quarterly growth since 2010. Demand in Spain expanded in year-on-year terms in October and November, and by a notable 1.7% in December. Electricity demand declined by 2.2% year-on-year in 2013, in terms of gross demand and adjusting for the different number of working days and the temperature; this is the third consecutive annual decline.

The balance of international power flows was a net export of 2.0 TWh in 4Q13, i.e. 39.5% less than in 4Q12. In 2013, exports amounted to 6.8 TWh, i.e. 39.7% less than in 2012.

Consumption for pumped storage amounted to 1,296 GWh in 4Q13, i.e. 3.7% less than in 4Q12, and totalled 6.0 TWh in 2013, i.e. 19.9% more than in 2012.

Despite the quarterly increase in demand, net electricity output in Spain declined by 0.9% due to lower exports in the quarter.

Ordinary regime output fell by 6.5% in the quarter, whereas special regime output increased by 7.7% in the same period, both of which are notable following the slight moderation in their respective trends in the previous quarter.

Net electricity output declined by 3.1% and ordinary regime output by 10.6% in 2013, whereas special regime output increased by 8.6% with respect to last year.

Wind output in 4Q13 was 17.4% higher than in 2012 and covered an average of 25.0% of demand in the quarter. Wind output increased by 13.2% in 2013, covering 22.1% of demand (two points more than in 2012) and, for the first time ever, it was the technology with the greatest contribution to demand coverage. During the year, wind output beat several demand coverage records, peaking at 68.5% early on the morning of 25 December.

Output from other special regime energies declined by 2.1%. The increase in special regime output eased to 4.5% in 2013, with notable growth by hydro and solar; solar photovoltaic and solar thermal together produced 12.5 TWh, equivalent to over half of total CCGT output.

Special regime output as a whole covered 45.6% of total demand in 4Q13, i.e. almost 3 percentage point more than in the same period of 2012. In 2013, special regime output covered 45.1% of demand, i.e. over four and a half points more than in 2012.

Ordinary regime output declined by 6.5% in the quarter with respect to 4Q12, maintaining the negative trend observed since 2011 (apart from a hiatus in the first quarter of 2012). This quarterly decline was noticeable in all technologies except for hydroelectricity.

Hydroelectric output increased by 16.3% in the quarter with respect to the fourth quarter of 2012 due to higher precipitation, especially in October and November. Overall, hydroelectric output increased by 75.0% in 2013.

The hydroelectric energy capacity in 2013 marks the period as wet, with an exceedance probability of 26% when compared with the historical average: i.e. statistically, only 26 out of every 100 years would be wetter than 2013; it is especially noteworthy that March's exceedance probability was 5% and April's was 3%, due to their large contribution to the annual figure.

Nuclear output fell by 10.1% in the quarter and by 7.4% in 2013; this figure was affected by changes in the dates of scheduled shut-downs and the reduction in load factor at the end of March and the beginning of April, when market prices were very low, even reaching zero.

The thermal gap declined by slightly more than 2 TWh in the quarter, accounting for 29.7% of demand, compared with 33.6% in the fourth quarter of 2012. In 2013, the thermal gap declined by more than 27 TWh, reducing demand coverage from 35.3% in 2012 to 25.0% in 2013.

Coal-fired output fell by 4.0% in 4Q13 and by 27.4% in 2013, despite the entry into force on 26 February 2011 of the Royal Decree on Security of Supply. Spanish coal-fired output in the quarter was 3.0 TWh less than imported coal-fired output; together they covered 17.8% of demand in Spain, i.e. 1 percentage point less more than in 4Q12. Spanish coal-fired output amounted to 12.8 TWh in 2013, i.e. almost half the output fired by imported coal, which totalled 24.2 TWh. Together they covered 15.0% of demand, almost 5 percentage points less than in 2012.

There was no oil-fired output in 2012 or 2013.

CCGT output in 4Q13 declined by 18.6% year-on-year, covering 11.9% of demand, compared with 14.8% in the fourth quarter of 2012. CCGT output amounted to 24.6 TWh in 2013, far below the 2012 figure of 37.9 TWh. Demand coverage by CCGTs declined from 15.0% in 2012 to 10.0% in 2013.

The weighted average price in the daily power generation market was €53.81/MWh in the fourth quarter of 2013, €2.8/MWh more than in the third quarter of 2013 and €9.35/MWh more than in 4Q12. In 2013, the average price in the electricity pool was €44.3/MWh, i.e. €4.3/MWh lower than in 2012. Daily average prices during the quarter ranged from €5.42/MWh (on 25 December) to €93.12/MWh (on 8 December), the third-highest price ever.

Brent crude declined from an average of \$110.4/bbl in the third quarter of 2013 to \$109.3/bbl (-1.0%) in the fourth quarter of 2013, as monthly averages declined in October and November and recovered in December. API 2, Europe's main coal price indicator, increased by 10.5%, from an average of \$76.4/tonne in the third quarter of 2013 to \$84.4/tonne in the fourth quarter, ending the downward trend that began over two years ago. The price of CO₂ emission rights (EUAs on Bluenext) averaged €4.7/tonne (maturing in 2013), i.e. higher than the 3Q13 average (€4.6/tonne).

4.4.1.2.- Main aggregates

The main aggregates in Gas Natural Fenosa's electricity business in Spain were as follows:

Power generation capacity:

4Q13	4Q12	%		2013	2012	%
-	-	-	Installed capacity (MW):	12,728	12,827	-0.8
-	-	-	Ordinary Regime	11,581	11,714	-1.1
-	-	-	Hydroelectric	1,914	1,907	0.4
-	-	-	Nuclear	604	604	-
-	-	-	Coal	2,065	2,048	0.8
-	-	-	Oil/gas	-	157	-
-	-	-	CCGT	6,998	6,998	-
-	-	-	Special Regime	1,147	1,113	3.1
-	-	-	Wind	967	968	-0.1
-	-	-	Small hydroelectric	108	69	56.5
-	-	-	Cogeneration and others	72	76	-5.3
-	-	-	Availability factor, Ordinary Regime	94.4	94.7	-0.3

The change in ordinary regime installed capacity with respect to 2012 is due to a number of factors:

- A 7 MW increase as a result of re-rating several hydroelectric plants.
- The definitive closure of Unit 1 of the Aceca oil-fired power plant, with 157 MW of gross capacity attributable to Gas Natural Fenosa.
- A 17 MW increase in gross capacity of the Meirama power plant, recognised in August 2013.

Electricity generated and sold:

4Q13	4Q12	%		2013	2012	%
9,356	8,796	6.4	Electricity generated (GWh):	33,785	37,144	-9.0
8,461	8,044	5.2	Ordinary Regime	30,744	34,425	-10.7
775	525	47.6	Hydroelectric	4,434	1,665	-
1,105	1,117	-1.1	Nuclear	4,287	4,434	-3.3
1,878	1,733	8.4	Coal	5,430	7,724	-29.7
-	-	-	Oil/gas	-	-	-
4,703	4,669	0.7	CCGT	16,593	20,602	-19.5
895	752	19.0	Special Regimen	3,041	2,719	11.8
684	568	20.4	Wind	2,209	1,999	10.5
91	69	31.9	Small hydroelectric	362	257	40.9
120	115	4.3	Cogeneration and others	470	463	1.5
8,050	8,835	-8.9	Electricity sales (GWh):	32,942	35,910	-8.3
6,334	6,878	-7.9	Liberalised market	25,949	28,216	-8.0
1,716	1,957	-12.3	Last resort tariff	6,993	7,694	-9.1
-	-	-	Market share of ordinary regime output (%)	20.6	20.7	-0.5
-	-	-	Market share of special regime output (%)	2.7	2.7	-
-	-	-	Market share of supply (%)	13.6	14.4	-5.6

Gas Natural Fenosa generated 9,356 GWh of electricity in mainland Spain in the fourth quarter of 2013, i.e. 6.4% more than in the same period of 2012. Of that figure, 8,461 GWh were ordinary regime (a 5.2% increase year-on-year), due to higher output by all technologies (except nuclear), particularly hydroelectricity. Special regime power generation increased notably, by 19.0% in the quarter, to 895 GWh.

Total output declined by 9.0% in 2013, with ordinary regime falling by 10.7% and special regime output rising by 11.8%.

In 4Q13, hydroelectric output amounted to 775 GWh, i.e. +47.6% higher than in the same quarter of 2012 (525 GWh), due to abundant precipitation in the quarter. Hydroelectric output in 2013 was almost triple the 2012 figure, due mainly to considerable precipitation early in the year.

The year started off wet and remained that way throughout the entire first and second quarters, but changed to dry in the third and fourth quarters (the third quarter was extremely dry); as a result, energy capacity in 2013 had a 47% average exceedance probability. Reservoirs in the Gas Natural Fenosa watersheds were at 38.2% of capacity, compared with 31.6% at the end of 2012. The beginning of 2014 is proving to be even wetter than 2013, and reserves stood at over 50% of capacity in the first ten days of January.

Nuclear output declined by 1.1% in the quarter and by 3.3% in 2013 with respect to 2012, affected by changes in scheduled shut-down dates and reductions in the load factor during the Easter holiday due to high special regime output.

Gas Natural Fenosa's output using Spanish coal amounted to 758 GWh in 4Q13, evidencing the impact of the Royal Decree on Security of Supply, and to 2,314 GWh in 2013. Coal-fired output in the fourth quarter of 2013 totalled 1,878 GWh, i.e. 8.4% more than in the same quarter of 2012 but coal-fired output in the full year declined by 29.7% compared with 2012.

CCGT output in the fourth quarter of 2013 totalled 4,703 GWh, 0.7% more than in 4Q12. Gas Natural Fenosa's CCGT output in 2013 declined by 19.5% with respect to 2012.

The company attained a 20.6% share of the ordinary regime power generation market in 2013, i.e. similar to the 2012 figure (20.7%).

The electricity supply area sold 33 TWh in 2013, including supply to the liberalised market and under the last-resort tariff. The electricity supply portfolio is in line with Gas Natural Fenosa's strategy of maximising margins, optimising market share, and hedging against price variations in the electricity market.

Emissions of CO₂ in the fourth quarter of 2013 from Gas Natural Fenosa's thermal power plants and CCGTs that are affected by the regulation governing greenhouse gas emission trading totalled 3.6 million tonnes (0.14 million tons more than in the same period of 2012). Overall, the company's CO₂ emissions totalled 11.5 million tonnes in 2013, compared with 14.9 million tonnes in 2012.

Gas Natural Fenosa applies a comprehensive approach to its portfolio of CO₂ emission rights for the post-Kyoto (2013-2020) period, acquiring the emission rights and credits needed through active participation in the secondary market as well as through primary projects and carbon funds.

GNF Renewables

At 31 December 2013, Gas Natural Fenosa Renewables (GNF Renewables) had 1,147 MW of consolidable total operational installed capacity, of which 967 MW are wind, 108 MW are small hydroelectric and 72 MW are cogeneration. The increase compared with 2012 is due mainly to the commissioning of 39 MW of small hydroelectric capacity in Galicia in the fourth quarter of 2013.

Output was 11.8% higher than in 2012 (3,041 GWh vs. 2,719 GWh). This is primarily attributable to the 10.5% increase in wind output due to stronger winds in 2013 compared with the previous year. Small hydroelectric output increased notably, by 40.9%, due to heavier precipitation in 2013. Cogeneration output expanded by 1.5%. EBITDA amounted to €152 million, i.e. a decline of 1.9% with respect to 2012.

When comparing figures for the two years, it's important to note that a number of new regulations have entered into force (Law 15/2012, Royal Decree-Act 2/2013, Royal Decree-Law 9/2013) that have an impact on the results of companies with special regime technology.

Construction of the Peares II and Belesar II small hydroelectric plants in Galicia was completed and they had entered commercial operation at the end of 2013.

4.4.2.- Electricity International (Kenya)

This area refers to power generation in Kenya. The dominant weather conditions in the area (heavy precipitation) in 2013 led to a decline in the use of thermal power plants, which reduced electricity output.

4.4.2.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
25	30	-16.7	Net sales	102	128	-20.3
-19	-23	-17.4	Purchases	-76	-100	-24.0
-	-1	-	Personnel cost, net	-2	-2	-
-4	-1	-	Other revenues and expenses	-12	-11	9.1
2	5	-60.0	EBITDA	12	15	-20.0
-1	-1	-	Depreciation & amortisation, and impairment losses	-5	-5	-
-	-	-	Change in operating provisions	-	-	-
1	4	-75.0	Operating profit	7	10	-30.0

EBITDA amounted to €12 million in 2013. This decline is attributable to lower output (-13.8%) and to currency fluctuations. High availability (86.1%), the factor determining capacity revenues, and the decline in international fuel prices mitigated the decline in EBITDA.

4.4.2.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
-	-	-	Electric generation capacity (MW)	112	112	-
151	157	-3.8	Electric energy production (GWh/year)	557	646	-13.8

Diesel-fired output in Kenya in 2013 (557 GWh) was 13.8% lower than in 2012. This decline is attributable to lower demand for thermal power in Kenya as a result of the greater precipitation in 2013 and, consequently, the higher level of water in the hydroelectric reservoirs.

4.5.- LATIN AMERICA

4.5.1- Gas distribution

This division involves gas distribution in Argentina, Brazil, Colombia and Mexico.

On 25 July, the government of Peru awarded Gas Natural Fenosa a contract to extend natural gas service to four cities in south-west Peru. This is the company's first project in Peru and expands its presence in Latin America.

As a result of the adjudication, Gas Natural Fenosa will supply energy to an area that is not yet connected to the gas grid and expects to supply natural gas to over 60,000 households. There are four large cities in the area, including Arequipa (Peru's second-largest city), as well as Moquegua, Tacna and Ilo.

The concession period is 20 years, with the possibility of an extension, to develop the gas grid in the southeast part of the country, including the transportation system and local gas distribution in four cities.

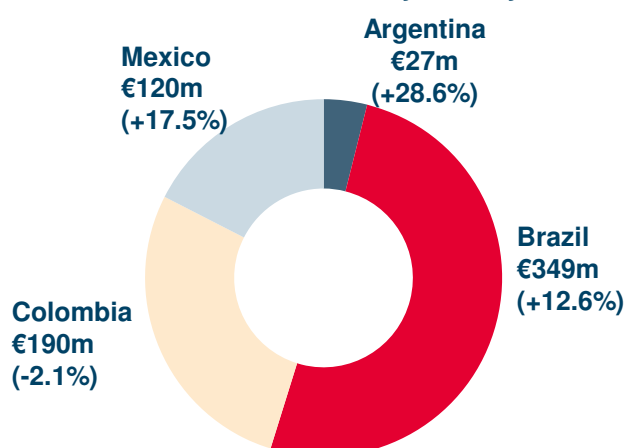
4.5.1.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
754	897	-15.9	Net sales	3,260	2,982	9.3
-510	-643	-20.7	Purchases	-2,235	-1,993	12.1
-22	-23	-4.3	Personnel costs, net	-96	-98	-2.0
-65	-68	-4.4	Other revenues and expenses	-243	-251	-3.2
157	163	-3.7	EBITDA	686	640	7.2
-27	-28	-3.6	Depreciation & amortisation, and impairment losses	-109	-116	-6.0
-6	1	-	Change in operating provisions	-20	-15	33.3
124	136	-8.8	Operating profit	557	509	9.4

Revenues increased by 9.3% to €3,260 million, on 9.3% growth in volume year-on-year.

EBITDA amounted to €686 million, a 7.2% increase on 2012, despite the negative impact of depreciation of local currencies in Brazil (-11.9%), Argentina (-19.6%), Colombia (-7.3%), and Mexico (-0.4%).

EBITDA in Latin America by country



The figure shows gas distribution EBITDA in Latin America, by country, and the variation with respect to 2012.

Brazil accounted for 50.9% of EBITDA; sales volume was 31.4% higher than in 2012, and the energy margin was 21.6% higher, due to the combined effect of greater power generation sales and the Consumer Price Index update.

Colombia accounted for 27.7% of EBITDA, mainly due to greater sales volume in the industrial and automotive LNG markets, and to higher margins.

Colombia accounted for 27.7% of EBITDA, mainly due to greater sales volume in the industrial and automotive LNG markets, and to higher margins.

EBITDA in Mexico accounted for 17.5% of the total, and the energy margin rose 6.1% with respect to 2012, due to higher margins in the residential/commercial, automotive natural gas, and TPA markets.

4.5.1.2.- Main aggregates

The main physical aggregates in gas distribution in Latin America are as follows:

4Q13	4Q12	%		2013	2012	%
56,378	59,190	4.7	Gas activity sales (GWh)	229,833	210,358	9.3
33,386	37,849	-11.8	Tariff gas sales	148,283	131,407	12.8
22,992	21,341	7.7	TPA	81,550	78,951	3.3
546	482	13.3	Distribution network (km)	69,054	67,334	2.6
68	52	30.8	Change in connection points ('000)	231	208	11.1
-	-	-	Connection points ('000) (at 31/12)	6,321	6,090	3.8

The key physical aggregates by country in 2013 are as follows:

	Argentina	Brazil	Colombia	Mexico	Total
Gas activity sales (GWh)	73,164	88,961	18,736	48,972	229.833
Change vs. 2012 (%)	-4,8	31,4	6,1	1,7	9.3
Distribution network (km)	24,033	6,476	20,293	18,252	69.054
Change vs. 31/12/2012 (km)	427	186	433	674	1.720
Connection points ('000) (at 31/12)	1,556	899	2,518	1,348	6.321
Change vs. 31/12/2012 ('000)	34	29	115	53	231

There were a total of 6,321,000 gas distribution connections in 2013. Year-on-year growth remains high, as the company added 231,000 distribution connections (of which 115,000 in Colombia alone).

Sales in the gas activity in Latin America, which include both gas sales and TPA (third-party access) services, totalled 229,833 GWh, a 9.3% increase with respect to 2012.

The distribution grid expanded by 1,720 km (+2.6%) in the last 12 months, to 69,054 km at the end of 2012. Mexico made a notable contribution, adding 674 km.

Highlights in Latin America:

- In Argentina, the energy margin increased by 45.7% with respect to 2012, due to the revenue from FOCEGAS (a fund for construction and expenses related to infrastructure expansion and maintenance) granted in December 2012. The company continued to contain expenditure in a complex economic situation with high inflation (around 25%).
- The business performed very well in Brazil, with an 9.6% net increase in residential/commercial customer numbers and a 31.4% increase in gas sales and TPA services, especially for power generation. Dispatching of gas-fired thermal power plants increased by 162% year-on-year in 2013 due to scant precipitation and low reservoir levels. Reservoir levels in December 2013 stood at 43.2%, i.e. 10.4 percentage points below the historical average (53.6% on average over 8 years) in the southeast/west-central region,

which holds 70% of the country's water reserves. On 19 December 2013, the regulatory authority for the state of Río de Janeiro (AGENERSA) approved companies' request to apply the updated tariff as from 1 January 2014, AGENERSA published its decisions, numbers 1,880 and 1,881, approving the tariff review, on 20 December 2013. The tariff framework includes a 0.5 percentage point reduction in WACC, which will be offset by greater operating efficiency.

- In Colombia, gas and TPA sales expanded by 6.1% in 2013, due primarily to growth in industrial consumption (+12.4%) and in the customer base. Net growth in residential/commercial customer numbers increased by 4.1%, to around 115,000 customers; this pace is expected to continue in the years to come despite the current high degree of penetration. As for non-regulated businesses, sales of appliances expanded by 28.8% (particularly space heaters, +32.0%, and water heaters, +13.4%).
- In Mexico, the acceleration plan continues, focusing primarily on Mexico DF and the Bajíos area with a view to maintaining sustained growth. The net increase in customer numbers expanded by 38.7%, while new installations increased with respect to the same period last year, due mainly to greater penetration in the Bajíos area. As for gas and TPA sales, there was a 1.7% increase due to growth in residential/commercial customer numbers, offsetting the decline in activity in the industrial sector due to the economic slowdown in recent months.

4.5.2- Electricity distribution

This division involves electricity distribution in Colombia and Panama.

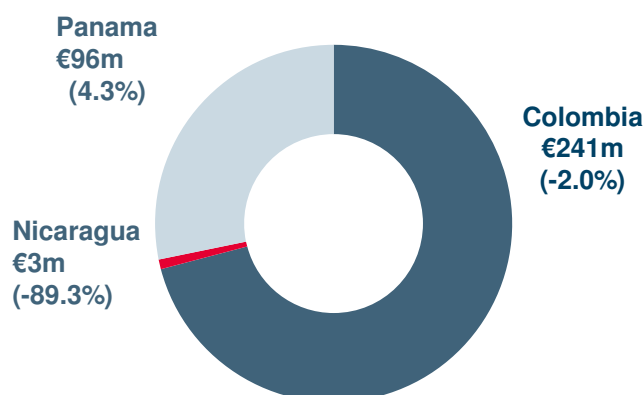
The sale of the electricity distribution business in Nicaragua led to its deconsolidation on 1 February 2013.

Gas Natural Fenosa will continue to operate its two electricity distribution companies in Panama (Edemet and Edechi) for the next 15 years. On 14 August 2013, Panama's Autoridad Nacional de los Servicios Públicos (ASEP) awarded Gas Natural Fenosa 51% of Edemet and Edechi as it was the sole bidder for the two companies. The Panama government owns 48%, and minority shareholders the remainder.

4.5.2.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
502	624	-19.6	Net Sales	2,121	2,513	-15.6
-370	-475	-22.1	Purchases	-1,559	-1,891	-17.6
-12	-20	-40.0	Personnel costs, net	-57	-66	-13.6
-32	-41	-22.0	Other revenues and expenses	-165	-190	-13.2
88	88	-	EBITDA	340	366	-7.1
-18	-17	5.9	Depreciation & amortisation, and impairment losses	-65	-70	-7.1
-22	-21	4.8	Change in operating provisions	-93	-116	-19.8
48	50	-4.0	Operating profit	182	180	1.1

EBITDA in en Latin America by country



EBITDA from electricity distribution in Latin America totalled €340 million, a 7.1% decline compared with 2012.

Excluding the effect of currency fluctuations and of the divestment in Nicaragua, EBITDA would have expanded by 5.8%.

The distribution business in Colombia contributed €241 million to EBITDA, i.e. a 5.1% increase excluding the currency effect. The increase was offset by certain exogenous factors, such as the application of lower tariff update factors. Adjusting for this effect, there would have been a 11% increase.

EBITDA in 2013 includes the January results from the business in Nicaragua (€3 million) and the amount corresponding to the distribution companies in Panama (€96 million).

4.5.2.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
4,169	4,673	-10.8	Electric activity sales (GWh):	16,443	18,074	-9.0
3,892	4,410	-11.7	Tariff electricity sales:	15,406	17,087	-9.8
277	263	5.3	TPA	1,037	987	5.1
-	-	-	Connection points ('000) (at 31/12)	2,925	3,701	-21.0

Electricity sales totalled 16,443 GWh, a decrease of 9.0%, since figures from 2012 include 2,752 GWh sold by the distribution companies in Nicaragua (i.e. 12 months' sales), compared with 239 GWh (1 month) in 2013. Excluding operations in Nicaragua in both periods, sales increased by 5.8% due to growth in demand in Colombia and Panama.

Customer numbers fell by 21.0% due to the deconsolidation of the Nicaragua business. Adjusting for this effect, the difference would have been a 4% increase.

The key physical aggregates by country in 2013 are as follows:

	Colombia	Panama	Total
Electric activity sales (GWh)	11,929	4,275	16,204
Change vs. 2012 (%)	6.2	4.6	5.8
Connection points ('000) (at 30/09)	2,396	529	2,925
Change vs. 31/12/2012 ('000)	84	20	104
Network loss ratio (%)	16.9	10.0	16.1

The performance of basic operating indicators reflects good business management and growth, as envisioned in the plan to reduce grid losses and bad debts.

Power loss indicators in Panama and Colombia in 2013 were lower than in 2012.

4.5.3.- Electricity

This section includes electricity generation in Mexico, Puerto Rico, Costa Rica⁷, Panama and the Dominican Republic.

4.5.3.1.- Results

4Q13	4Q12	%	(€ Mn)	2013	2012	%
232	230	0.9	Net Sales	961	859	11.9
-145	-139	4.3	Purchases	-612	-515	18.8
-4	-3	33.3	Personnel costs, net	-16	-15	6.7
-13	-19	-31.6	Other revenues and expenses	-58	-68	-14.7
70	69	1.4	EBITDA	275	261	5.4
-28	-29	-3.4	Depreciation & amortisation, and impairment losses	-113	-111	1.8
-	-	-	Change in operating provisions	-	-	-
42	40	5.0	Operating profit	162	150	8.0

EBITDA amounted to €275 million, a 5.4% increase on 2012.

EBITDA in Mexico increased by 2.5%, basically because of the impact on 2012 income of the incident at the Tuxpan plant in October 2011, which affected operations until March 2012. Other factors were the higher sale of surplus capacity at the Naco Nogales plant and containment of operating expenses.

EBITDA in Puerto Rico increased by 10.2% due to the higher price in the spot market and to the decline in fuel costs, resulting from the lower spot prices for shiploads.

In the Dominican Republic, EBITDA increased by 9.3% due to the higher margin on energy sales, since the contract offsets the lower income from sales in the spot market.

EBITDA in Panama fell by 23.1% due to lower output resulting from scant precipitation and the higher cost of energy due to buying in power or because of producing with thermal capacity to fulfil contractual capacity commitments.

⁷ The results from power generation in Costa Rica are booked under financial income in accordance with IFRIC 12 "Service Concession Arrangements".

4.5.3.2.- Main aggregates

4Q13	4Q12	%		2013	2012	%
-	-	-	Installed capacity (MW):	2,580	2,580	-
-	-	-	Mexico (CCGT)	2,035	2,035	-
-	-	-	Puerto Rico (CCGT) ⁸	263	263	-
-	-	-	Costa Rica (hydroelectric)	51	51	-
-	-	-	Panama (hydroelectric)	22	22	-
-	-	-	Panama (oil-fired)	11	11	-
-	-	-	Dominican Republic (oil-fired)	198	198	-
4,739	4,693	1.0	Electricity generated (GWh):	19,414	18,458	5.2
3,970	3,794	4.6	Mexico (CCGT)	16,193	15,172	6.7
484	481	0.6	Puerto Rico (CCGT) ⁸	1,787	1,779	0.4
75	81	-7.4	Costa Rica (hydroelectric)	239	270	-11.5
31	28	10.7	Panama (hydroelectric)	81	100	-19.0
6	1	-	Panama (oil-fired)	17	8	-
173	308	-43.8	Dominican Republic (oil-fired)	1,097	1,129	-2.8
-	-	-	Availability factor (%):	94,8	92,3	2.7
-	-	-	Mexico (CCGT)	95,7	92,1	3.9
-	-	-	Puerto Rico (CCGT) ⁸	91,2	95,1	-4.1
-	-	-	Panama (hydro and oil-fired)	92,5	95,0	-2.6
-	-	-	Dominican Republic (oil-fired)	90,3	89,5	-0.9

Output increased in Mexico because of more operating hours at the Tuxpan plant, a baseline effect caused by its non-availability until March 2012 because of the aforementioned incident. The increase was also attributable to greater output at Naco Nogales compared with last year, due to the sale of surplus capacity and to water supply problems in 2012.

The 0.4% increase in output in Puerto Rico was due to higher dispatching in 2013, offsetting figures from the first quarter, which was affected by the longer scheduled maintenance shut-downs, leading to lower availability.

Hydroelectric output in Costa Rica declined by 11.5% as a result of the low rainfall in 2013.

Hydroelectric output declined by 19.0% in Panama with respect to 2012 because of low precipitation and adverse weather conditions in the first half of this 2013, offset partly by higher thermal output.

Output in the Dominican Republic declined by 2.9% due to lower demand and the commissioning of new plants in the fourth quarter.

⁸ Assuming 50%.

Summarised below are the regulatory disclosures to the Comisión Nacional del Mercado de Valores (CNMV) since 1 January 2013:

- Gas Natural Fenosa announces the payment of an interim dividend out of 2012 income (disclosed 2 January 2013, registration number 180673).
- Gas Natural Fenosa discloses the acquisition of 10% of Medgaz for €61.9 million (disclosed 8 January 2013, registration number 180835).
- Gas Natural Fenosa discloses completion of a 10-year bond issue in the euromarket amounting to €600 million (disclosed 9 January 2013, registration number 180881).
- Gas Natural Fenosa discloses completion of a 6-year bond issue in the Swiss market amounting to 250 million Swiss francs (disclosed 14 January 2013, registration number 181006).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 4Q12 earnings (disclosed 29 January 2013, registration number 181568).
- Gas Natural Fenosa discloses the sale of its stakes in electricity distribution companies in Nicaragua (disclosed 12 February 2013, registration number 182157).
- Gas Natural Fenosa publishes its 4Q12 results (disclosed 19 February 2013, registration number 182405).
- Gas Natural Fenosa files the presentation of earnings for the fourth quarter of 2012 (disclosed 19 February 2013, registration number 182409).
- Gas Natural Fenosa discloses information on earnings for the second half of 2012 (disclosed 22 February 2013, registration number 182580).
- Gas Natural Fenosa publishes its Annual Corporate Governance Report for 2012 (disclosed 22 February 2013, registration number 182585).
- Gas Natural Fenosa calls an Ordinary Shareholders' Meeting for 16 April 2013 (disclosed 7 March 2013, registration number 183432).
- Gas Natural Fenosa discloses completion of a bond issue in the euromarket amounting to €750 million (disclosed 3 April 2013, registration number 184731).
- Gas Natural Fenosa files the presentation used at the press conference before the Ordinary Shareholders' Meeting (disclosed 16 April 2013, registration number 185212).
- Gas Natural Fenosa resolves to authorise its subsidiary Unión Fenosa Financial Services USA, LLC to launch a tender offer for perpetual preference shares of Unión Fenosa FSU issued in 2003 (disclosed 16 April 2013, registration number 185217).
- Gas Natural Fenosa discloses that the Ordinary Shareholders' Meeting has approved all proposals contained in the Agenda submitted by the Board of Directors (disclosed 16 April 2013, registration number 185232).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 1Q13 earnings (disclosed 18 April 2013, registration number 185328).
- Gas Natural Fenosa announces the implementation of the 2013 employee stock ownership plan, part of the 2012-2014 Plan that was approved by the Shareholders' Meeting on 20 April 2012 (disclosed 24 April 2013, registration number 185671).

- Gas Natural Fenosa files the advance report of earnings for the first quarter of 2013 (disclosed 7 May 2013, registration number 186641).
- Gas Natural Fenosa files the presentation of earnings for the first quarter of 2013 (disclosed 7 May 2013, registration number 186655).
- Gas Natural Fenosa files the announcement of the payment of a supplementary dividend out of 2012 income (disclosed 25 June 2013, registration number 189492).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 1H13 earnings (disclosed 8 July 2013, registration number 190241).
- Fitch Ratings placed Gas Natural Fenosa's Issuer Default Rating (IDR) on Rating Watch Negative (RWN) (disclosed 16 July 2013, registration number 190646).
- Gas Natural Fenosa discloses information on earnings for the first half of 2013 (disclosed 23 July 2013, registration number 190871).
- Gas Natural Fenosa files the presentation of earnings for the first half of 2013 (disclosed 23 July 2013, registration number 190880).
- Gas Natural Fenosa discloses the adjudication of the concession to distribute natural gas in southeastern Peru (disclosed 25 July 2013, registration number 191131).
- Gas Natural Fenosa discloses two agreements to sell natural gas to Repsol in the medium and long term (disclosed 26 July 2013, registration number 191172).
- Gas Natural Fenosa discloses information on earnings for the first half of 2013 (disclosed 26 July 2013, registration number 191174).
- Gas Natural Fenosa discloses the acquisition of 4.9% of Medgaz (disclosed 30 July 2013, registration number 191342).
- Gas Natural Fenosa discloses that it will continue to operate its two electricity distribution companies in Panama for the next 15 years (disclosed 14 August 2013, registration number 192031).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 3Q13 earnings and its updated strategy (disclosed 2 October 2013, registration number 193411).
- Gas Natural Fenosa announces completion of a bond issue in the euromarket amounting to €500 million (disclosed 8 October 2013, registration number 193676).
- Gas Natural Fenosa discloses the signature of a new club deal loan for €2,250 million (disclosed 29 October 2013, registration number 194513).
- Gas Natural Fenosa files the advance report of earnings for the third quarter of 2013 (disclosed 5 November 2013, registration number 194843).
- Gas Natural Fenosa files the presentation of earnings for the third quarter of 2013 (disclosed 5 November 2013, registration number 194846).
- Gas Natural Fenosa files an update to the 2013-2015 strategy and 2017 vision (disclosed 5 November 2013, registration number 194848).

- Gas Natural Fenosa announces the Board of Directors' decision to distribute an interim dividend of €0.393 per share out of 2013 income (disclosed 2 December 2013, registration number 196019).
- Gas Natural Fenosa announces the calendar for publication of its financial results in 2014 (disclosed 3 December 2013, registration number 196088).
- Gas Natural Fenosa announces the payment of a dividend on 8 January 2014 (disclosed 3 January 2014, registration number 198312).
- Fitch Ratings withdraws Rating Watch Negative (RWN) on Gas Natural Fenosa and assigns it a stable outlook (disclosed 10 January 2014, registration number 198544).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 4Q13 earnings (disclosed 24 January 2014, registration number 198978).
- Gas Natural Fenosa announces the reorganisation of its power generation business in Spain (disclosed 31 January 2014, registration number 199325).

- GAS NATURAL: CONSOLIDATED PROFIT & LOSS ACCOUNT
- GAS NATURAL: ANALYSIS OF RESULTS BY ACTIVITY
- GAS NATURAL: CONSOLIDATED BALANCE SHEET
- GAS NATURAL: CONSOLIDATE CASH FLOW STATEMENT

(€ millions)	2013	2012
Net sales	24,969	24,904
Other operating revenues	253	284
Purchases	-17,228	-17,309
Personnel costs	-861	-871
Taxes other than income tax	-523	-285
Other operating costs	-1,525	-1,643
EBITDA	5,085	5,080
Other results	11	20
Depreciation & amortisation, and impairment losses	-1,907	-1,798
Change in operating provisions	-226	-235
BENEFICIS D'EXPLOTACIÓ	2,963	3,067
Finance income	-838	-874
Income from disposal of financial instruments	-	-
Income from associates	7	10
CONSOLIDATED PRE-TAX PROFIT	2,132	2,203
Income tax expense	-468	-546
Minority interest	-219	-216
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,445	1,441

EBITDA

(€ Mn)	1T13	2T13	3T13	4T13	2013
GAS DISTRIBUTION EUROPE	256	247	268	238	1,009
Spain	225	227	249	216	917
Italy	31	20	19	22	92
ELECTRICITY DISTRIBUTION EUROPE	161	161	156	145	623
Spain	149	153	149	137	588
Moldova	12	8	7	8	35
GAS	330	328	279	307	1,244
Infrastructures	67	68	57	66	258
Procurement and Supply	250	195	208	210	863
UF Gas	13	65	14	31	123
ELECTRICITY	242	203	165	191	801
Spain	239	199	162	189	789
International	3	4	3	2	12
LATIN AMERICA	324	331	331	315	1,301
Gas distribution	172	184	173	157	686
Electricity distribution	82	83	87	88	340
Electricity	70	64	71	70	275
REST	16	35	32	24	107
TOTAL EBITDA	1,329	1,305	1,231	1,220	5,085

(€ millions)	1T12	2T12	3T12	4T12	2012
GAS DISTRIBUTION EUROPE	252	245	254	232	983
Spain	224	227	239	210	900
Italy	28	18	15	22	83
ELECTRICITY DISTRIBUTION EUROPE	164	161	164	159	648
Spain	155	153	157	148	613
Moldova	9	8	7	11	35
GAS	343	303	266	305	1,217
Infrastructures	58	52	58	57	225
Procurement and Supply	190	173	163	210	736
UF Gas	95	78	45	38	256
ELECTRICITY	254	203	219	244	920
Spain	251	200	215	239	905
International	3	3	4	5	15
LATIN AMERICA	288	328	331	320	1,267
Gas distribution	146	164	167	163	640
Electricity distribution	85	96	97	88	366
Electricity	57	68	67	69	261
REST	-1	19	34	-7	45
TOTAL EBITDA	1,300	1,259	1,268	1,253	5,080

Investments (tangible and intangible)

(€ millions)	1T13	2T13	3T13	4T13	2013
GAS DISTRIBUTION EUROPE	47	72	64	126	309
Spain	44	66	59	110	279
Italy	3	6	5	16	30
ELECTRICITY DISTRIBUTION EUROPE	20	66	70	82	238
Spain	19	64	66	75	224
Moldova	1	2	4	7	14
GAS	6	14	11	25	56
Infrastructures	2	3	1	6	12
Procurement and Supply	3	4	6	12	25
UF Gas	1	7	4	7	19
ELECTRICITY	37	47	32	60	176
Spain	37	47	32	60	176
International	-	-	-	-	-
LATIN AMERICA	70	157	131	201	559
Gas distribution	32	42	44	63	181
Electricity distribution	20	33	36	39	128
Electricity	18	82	51	99	250
REST	26	34	4	92	156
TOTAL	206	390	312	586	1,494

(€ millions)	1T12	2T12	3T12	4T12	2012
GAS DISTRIBUTION EUROPE	46	79	70	104	299
Spain	41	67	62	87	257
Italy	5	12	8	17	42
ELECTRICITY DISTRIBUTION EUROPE	44	81	62	97	284
Spain	43	78	58	89	268
Moldova	1	3	4	8	16
GAS	9	15	10	29	63
Infrastructures	5	9	-	11	25
Procurement and Supply	3	4	7	13	27
UF Gas	1	2	3	5	11
ELECTRICITY	41	39	21	81	182
Spain	41	39	21	81	182
International	-	-	-	-	-
LATIN AMERICA	68	73	88	143	372
Gas distribution	29	36	46	67	178
Electricity distribution	20	24	31	56	131
Electricity	19	13	11	20	63
REST	16	24	36	81	157
TOTAL	224	311	287	535	1,357

(€ millions)	31/12/13	31/12/12
Non-Current Assets	34,260	35,191
Intangible assets	10,245	10,764
Tangible assets	21,411	22,308
Investment in associates	96	100
Non-current financial assets	1,457	983
Deferred tax assets	1,051	1,036
Current Assets	10,685	11,696
Inventories	864	897
Trade and other receivables	5,316	5,106
Other current financial assets	253	1,259
Cash and cash equivalents	4,252	4,434
TOTAL ASSETS	44,945	46,887

(€ Mn)	31/12/13	31/12/12
Equity-	15,010	14,879
Net equity of Parent Company	13,444	13,261
Minority interest	1,566	1,618
Non-current Liabilities-	21,408	24,111
Deferred revenues	932	878
Non-current provisions	1,564	1,665
Non-current financial liabilities	15,508	18,046
Deferred tax liabilities	2,562	2,688
Other no-current liabilities	842	834
Current Liabilities-	8,527	7,897
Current provisions	134	144
Current financial liabilities	3,403	2,386
Trade and other payables	4,230	4,560
Other current liabilities	760	807
TOTAL EQUITY AND LIABILITIES	44,945	46,887

(€ millones)	2013	2012
Cash flow from ordinary activities	3,451	3,437
Income before taxes	2,132	2,203
Adjustments	2,608	2,540
<i>Operating Cash flow</i>	4,740	4,743
Changes in working capital	-119	-7
Other cash flows from operating activities	-1,170	-1,299
Interest	-694	-736
Income tax expenses	-476	-563
Investment cash flow	-1,092	-1,078
Investments	-2,485	-2,138
Disposals	1,280	933
Other cash flows from investing activities	113	127
Financing cash flow	-2,497	-1,020
Increase of capital	-	-379
Net proceeds from instruments representing financial liabilities	-1,349	-17
Dividends paid	-1,057	-566
Other cash flows from financing activities	-91	-58
Effect of Exchange rate variations	-44	-3
Net increase/(decrease) in cash and cash equivalents	-182	1,336
Beginning cash and cash equivalents	4,434	3,098
Ending cash and cash equivalents	4,252	4,434

Investor Relations
Pl. del Gas, 1
08003 Barcelona
SPAIN

Tel. 34 934 025 897
Fax 34 934 025 896

e-mail:
relinversor@gasnaturalfenosa.com

Web:
www.gasnaturalfenosa.com